

DEPARTMENT OF ENVIRONMENTAL QUALITY

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DEQ finalizes contracts for \$43 million in stimulus money

BATON ROUGE – The Department of Environmental Quality announced today that all of its American Recovery and Reinvestment Act funds for wastewater infrastructure are now under contract. The contracts are spread across 42 parishes, funding 55 projects.

Because DEQ achieved this goal ahead of the Recovery Act deadline of Feb. 17, DEQ was able to apply for additional ARRA funding that may become available through EPA's reallocation of other states' funding that has not been contracted.

DEQ received approximately \$43 million from the U.S. Environmental Protection Agency as part of the federal stimulus package for the Clean Water State Revolving Fund, also known as CWSRF, to support wastewater improvement and "green infrastructure" projects.

"We were able to beat the EPA deadline because of the hard work of the DEQ staff as well as from the cities and parishes throughout the state," said DEQ Secretary Peggy Hatch. "Louisiana will reap the benefits of these projects for years to come as the wastewater infrastructure is repaired throughout the state. What makes this project unique for Louisiana is the amount of effort that went into assisting the most citizens possible."

The state could have used the money on one or two expensive, big-city projects. Instead, DEQ wanted to ensure statewide benefits. The department looked at compliance issues and regional diversity to ensure there would be widespread sewer system improvements across the state. The department also looked at projects where there was a possibility to eliminate any imminent threats to human health or the environment. Financial constraints were also taken under consideration, targeting communities that did not have the ability to repay loans. DEQ also considered criteria involving the cost of the project, population served, requested amount, and projects that would provide economic recovery.

The federal stimulus package allows states to keep up to four percent of their award as an administrative fee. The DEQ did not keep any of the allowable administrative set-aside dollars. Instead, all the stimulus funds went to support wastewater improvement projects across the state.

The 55 selected projects to 53 municipalities across 42 parishes do not have to repay their "loan awards" because the DEQ is allowing the recipient municipalities to receive a zero-percent-interest loan with 100-percent principal forgiveness. However, each of the 55 projects went through the standard loan process, since the CWSRF program is not set up to offer grants.

A complete list of projects is available at <u>www.deq.louisiana.gov</u>.

